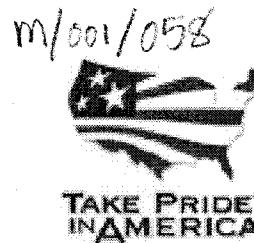




United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Cedar City Field Office
176 East DL Sargent Drive
Cedar City, UT 84720
Telephone (435) 586-2401
www.ut.blm.gov/cedar_city/



In Reply Refer To:
UT-042
3809: UTU-79716

December 29, 2005

Mr. Tom Munson
State of Utah, Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Dear Mr. Munson:

I am writing in regard to pending large mine permit, M/001/058, covering the Red Emerald Mine, located on BLM-managed lands in the Wah Wah Mtns., Beaver County, Utah. The pending permit document will also serve as the plan of operations under the applicable federal 43 CFR 3809 regulations, and has been serialized as UTU-79716 by this office.

In your letter of August 2, 2005 to Rancho Equipment, who was at that time serving as the designated operator for the permit, you indicated that the necessary bond to secure 3rd party reclamation of the proposed permit area had been determined to be \$55,300, and attached the supporting documentation of that estimate. I have reviewed this estimate and have concluded that the estimated amount is sufficient to satisfy the applicable federal regulations for bonding the plan of operations.

If you have any questions, feel free to contact me at (435) 865-3040.

Sincerely,

Ed Ginouves
Mining Engineer

cc: Opie Abeyta, BLM Utah State Office

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JAN 03 2006
DIV. OF OIL, GAS & MINING

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